

By: Lucio

S.B. No. 1635

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the establishment and administration of a program by
3 the Texas Department of Housing and Community Affairs for the
4 demolition and replacement of unsafe housing.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subchapter K, Chapter 2306, Government Code, is
7 amended by adding Section 2306.2595 to read as follows:

8 Sec. 2306.2595. TEXAS SAFE HOME PROGRAM. (a) The
9 department shall establish and administer a program to provide
10 financial assistance for the demolition and replacement of
11 owner-occupied single-family homes that are in a condition that
12 poses a risk to the health and safety of the occupants.

13 (b) The board shall adopt rules to implement the program
14 described by this section. Rules adopted under this section must
15 establish:

16 (1) procedures and forms for nominating a household
17 for participation in the program;

18 (2) eligibility criteria for participation in the
19 program, including criteria based on:

20 (A) the financial need of the household;

21 (B) the physical condition of the home; and

22 (C) other criteria the board considers
23 necessary;

24 (3) procedures for evaluating a household's

1 eligibility for participation in the program;

2 (4) a system that:

3 (A) prioritizes and maximizes the allocation of
4 available funds; and

5 (B) includes the assignment of eligible
6 households to specific funding priority levels that are designed to
7 ensure the most effective use of funds for the most exigent
8 circumstances; and

9 (5) the manner in which a nomination must be made and
10 the manner in which households will be assigned to a specific
11 funding priority level under the system described by Subdivision
12 (4).

13 (c) Funding priority levels described by Subsection
14 (b)(4)(B) must give high priority to:

15 (1) households with children, the elderly, or persons
16 with disabilities;

17 (2) households whose health and safety are at greatest
18 risk due to the continued occupancy of a home described by
19 Subsection (a); and

20 (3) households that:

21 (A) are eligible for and will receive third-party
22 contributions, including volunteer labor or additional loans,
23 grants, or other financial assistance; or

24 (B) will contribute labor in the demolition or
25 construction of the home.

26 (d) A household may be nominated for participation in the
27 program by a mayor, fire chief, fire marshal, volunteer fire chief,

1 county commissioner, or county judge filing a nomination with the
2 department.

3 (e) On receipt of a nomination regarding a household, the
4 department shall determine whether the household is eligible to
5 participate in the program. If the household is eligible, the
6 department shall establish a funding priority level for the
7 household.

8 (f) A household may not be required to participate in the
9 program.

10 (g) In determining whether a nominated household is
11 eligible for participation in the program and for the purpose of
12 establishing a funding priority level for the household, a
13 representative or designee of the manufactured housing division of
14 the department shall inspect the home with the homeowner and with
15 the person who nominated the household or that person's designee.

16 (h) Financial assistance administered under this section
17 may be provided in the form of a grant, partial grant, loan, or
18 forgivable loan.

19 (i) The department shall establish in the housing trust fund
20 a subaccount that may be used only for providing financial
21 assistance through the program established under this section. The
22 subaccount consists of:

23 (1) money deposited to the subaccount under Section
24 158.056, Tax Code;

25 (2) appropriations or transfers made to the
26 subaccount;

27 (3) unencumbered balances of the subaccount;

1 (4) public or private gifts, grants, or donations;

2 (5) investment income, including all interest,
3 dividends, capital gains, or other income from the investment of
4 any portion of the subaccount;

5 (6) repayments received on any loans made from the
6 subaccount; and

7 (7) funds from any other source.

8 (j) The department shall attempt to secure an agreement
9 with:

10 (1) private lending institutions for below market rate
11 loans for use in the program; and

12 (2) manufacturers of manufactured housing for the
13 provision of HUD-code manufactured homes at a discounted price.

14 (k) An entity that enters into an agreement with the
15 department under Subsection (j) may:

16 (1) be designated as an "Official Partner of the State
17 of Texas for Safe and Affordable Homes"; and

18 (2) use the designation described by Subdivision (1)
19 in advertising and promotion.

20 (l) The department may enter into a contract for the
21 administration of the program.

22 (m) Not later than September 1 of each year, the department
23 shall submit to the governor, the lieutenant governor, the speaker
24 of the house of representatives, and the state fire marshal a report
25 that documents for the preceding state fiscal year the number of
26 households that participated in the program, the nature of the
27 financial assistance provided under the program, and the amounts of

1 public and private financial assistance administered through the
2 program.

3 SECTION 2. Section 158.056, Tax Code, is amended by adding
4 Subsection (c) to read as follows:

5 (c) The comptroller shall deposit the tax imposed under this
6 section to the credit of the housing trust fund subaccount
7 established under Section 2306.2595, Government Code, for use only
8 for the purposes authorized by that section.

9 SECTION 3. This Act takes effect September 1, 2015.